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## BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

MIKE GLEASON, Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

IN THE MATTER OF THE APPLICATION OF  
SULPHUR SPRINGS VALLEY ELECTRIC  
COOPERATIVE, INC. FOR A HEARING TO  
DETERMINE THE FAIR VALUE OF ITS  
PROPERTY FOR RATEMAKING PURPOSES, TO  
FIX A JUST AND REASONABLE RETURN  
THEREON, TO APPROVE RATES DESIGNED TO  
DEVELOP SUCH RETURN AND FOR RELATED  
APPROVALS.

DOCKET NO. E-01575A-08-0328

**RATE CASE**  
**PROCEDURAL ORDER****BY THE COMMISSION:**

On June 30, 2008, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or "Cooperative") filed with the Arizona Corporation Commission ("Commission") an application for a rate increase.

On July 18, 2008, SSVEC filed Revisions to its Application.

On July 30, 2008, the Commission Utilities Division Staff ("Staff") notified the Cooperative that its application was sufficient under the requirements outlined in A.A.C. R14-2-103, and classified the Cooperative as a Class A utility.

On August 12, 2008, SSVEC filed a Request for Procedural Schedule, recommending a procedural schedule agreed to by SSVEC and Staff for consideration by the Administrative Law Judge.

Pursuant to A.A.C. R14-3-101, the Commission now issues this Procedural Order to govern the preparation and conduct of this proceeding.

IT IS THEREFORE ORDERED that the **hearing** in the above-captioned matter shall commence on **April 21, 2009, at 10:00 a.m.**, or as soon thereafter as is practical, at the Commission's offices, **Room 222, 400 West Congress, Tucson, Arizona 85701.**

1 IT IS FURTHER ORDERED that a **pre-hearing conference** shall be held on **April 20, 2009**,  
2 at 10:00 a.m. at the Commission's Tucson offices, Room 218, for the purpose of scheduling  
3 witnesses and the conduct of the hearing. The parties may appear telephonically at the pre-hearing  
4 conference.

5 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits (except that  
6 related to rate design and cost of service) to be presented at hearing on behalf of Staff shall be  
7 reduced to writing and filed on or before **January 26, 2009**.

8 IT IS FURTHER ORDERED that any **direct testimony** and associated exhibits (except that  
9 related to rate design and cost of service) to be presented at hearing on behalf of intervenors shall be  
10 reduced to writing and filed on or before **January 26, 2009**.

11 IT IS FURTHER ORDERED that **direct testimony** and associated exhibits **related to rate**  
12 **design and cost of service** to be presented at hearing on behalf of Staff and intervenors shall be  
13 reduced to writing and filed on or before **February 17, 2009**.

14 IT IS FURTHER ORDERED that any **rebuttal testimony** and associated exhibits to be  
15 presented at hearing by the Cooperative shall be reduced to writing and filed on or before **March 9,**  
16 **2009**.

17 IT IS FURTHER ORDERED that any **surrebuttal testimony** and associated exhibits to be  
18 presented by the Staff or intervenors shall be reduced to writing and filed on or before **April 3, 2009**.

19 IT IS FURTHER ORDERED that any **rejoinder testimony and associated exhibits** to be  
20 presented at hearing by the Cooperative shall be reduced to writing and filed on or before noon **April**  
21 **17, 2009**.

22 IT IS FURTHER ORDERED that **all filings shall be made by 4:00 p.m. on the date the**  
23 **filing is due, unless otherwise indicated.**

24 IT IS FURTHER ORDERED that **any objections to any testimony or exhibits** which have  
25 been prefiled as of April 17, 2009, shall be made before or at the **April 20, 2009** pre-hearing  
26 conference.

27 IT IS FURTHER ORDERED that all testimony filed shall include a table of contents which  
28 lists the issues discussed.

1 IT IS FURTHER ORDERED that any substantive corrections, revisions, or supplements to  
2 pre-filed testimony shall be reduced to writing and filed no later than five days before the witness is  
3 scheduled to testify.

4 IT IS FURTHER ORDERED that the parties shall prepare a brief, written summary of the  
5 pre-filed testimony of each of their witnesses and shall file each summary at least two working days  
6 before the witness is scheduled to testify.

7 IT IS FURTHER ORDERED that copies of summaries should be served upon the Presiding  
8 Officer, the Commissioners, and the Commissioners' aides as well as the parties of record.

9 IT IS FURTHER ORDERED that **intervention** shall be in accordance with A.A.C. R14-3-  
10 105, except that **all motions to intervene must be filed on or before January 15, 2009.**

11 IT IS FURTHER ORDERED that discovery shall be as permitted by law and the rules and  
12 regulations of the Commission, except that: until March 1, 2009, any objection to discovery requests  
13 shall be made within 7 days<sup>1</sup> of receipt and responses to discovery requests shall be made within 10  
14 days of receipt; thereafter, objections to discovery requests shall be made within 5 days and responses  
15 shall be made in 7 days<sup>1</sup>; the response time may be extended by mutual agreement of the parties  
16 involved if the request requires an extensive compilation effort.

17 IT IS FURTHER ORDERED that for discovery requests, objections, and answers, if a  
18 receiving party requests service to be made electronically, and the sending party has the technical  
19 capability to provide service electronically, service to that party shall be made electronically.

20 IT IS FURTHER ORDERED that in the alternative to filing a written motion to compel  
21 discovery, any party seeking discovery may telephonically contact the Commission's Hearing  
22 Division to request a date for a procedural hearing to resolve the discovery dispute; that upon such a  
23 request, a procedural hearing will be convened as soon as practicable; and that the party making such  
24 a request shall forthwith contact all other parties to advise them of the hearing date and shall at the  
25 hearing provide a statement confirming that the other parties were contacted.<sup>2</sup>

27 <sup>1</sup> "Days" means calendar days.

28 <sup>2</sup> The parties are encouraged to attempt to settle discovery disputes through informal, good-faith negotiations before seeking Commission resolution of the controversy.

IT IS FURTHER ORDERED that any motions which are filed in this matter and which are not ruled upon by the Commission within 20 days of the filing date of the motion shall be deemed denied.

IT IS FURTHER ORDERED that any responses to motions shall be filed within five days of the filing date of the motion.

IT IS FURTHER ORDERED that any replies shall be filed within five days of the filing date of the response.

IT IS FURTHER ORDERED that the Cooperative shall provide public notice of the hearing in this matter, in the following form and style with the hearing in no less than 14 point bold type and the body in no less than 10-point regular type:

**PUBLIC NOTICE OF HEARING ON THE**  
**RATE APPLICATION OF**  
**SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC.**  
**DOCKET NO. E-01575A-08-0328**

On June 30, 2008, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or "Cooperative") filed an application with the Arizona Corporation Commission for an approximate 11.75 percent increase (\$10,881,590) in annual revenue over its current revenues. In addition to an increase and modification to its rates and charges, SSVEC is requesting among other things, the Commission to approve a revision to its Wholesale Power Cost Adjustment ("WPCA") mechanism to include the pass-through of future generation and transmission costs associated with Cooperative-owned generation and transmission facilities; a new Debt Cost Adjustment mechanism that would permit the Cooperative to recover increases in interest costs associated with Commission-approved financing of plant additions; the elimination of line extension credits; and the inclusion of a portion of approved future DSM program expenses in base rates with additional expenses recovered through a new DSM Adjustment mechanism. Under the rates proposed by the Cooperative a residential customer using an average of 728 kWh per month would experience a monthly increase of \$9.83, 11.07 percent, from \$88.79 to \$98.62, not including the effect of the proposed adjustor mechanisms. **Residential customers using less or more than the average 728 kWh per month will experience a lower or higher percent increase depending on their usage.** Under the Cooperative's proposal, other rate class customers would experience increases between 5.30 percent and 23.86 percent depending on their class and usage.

If you have any questions concerning how the Cooperative's rate proposal will affect your bill or have other substantive questions about this application, you may contact the Cooperative at: **[COMPANY SHOULD INSERT NAME, ADDRESS, TELEPHONE NUMBER, AND E-MAIL ADDRESS FOR CUSTOMER CONTACTS CONCERNING THE APPLICATION].**

The Commission's Utilities Division Staff has not yet made a recommendation regarding the Cooperative's rate increase proposal, and the Commission will determine the appropriate rate relief to be granted based on the evidence of record in this proceeding. The Commission is not bound by the proposals made by the Cooperative, Staff, or any intervenors and, therefore, the final rates approved in this docket may be lower or higher than the rates described above.

#### **How You Can View or Obtain a Copy of the Rate Proposal**

Copies of the application and proposed tariffs are available at the Cooperative's offices [INSERT ADDRESS] and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona and its Tucson offices, 300 West Congress, Suite 218, Tucson, Arizona and on the internet via the Commission website (<http://www.azcc.gov/>) using the e-docket function.

#### **Public Hearing Information**

The Commission will hold a **hearing** on this matter beginning **April 21, 2009, at 10:00 a.m.**, at the Commission's offices, Room 222, 400 West Congress, Tucson, Arizona.

Public comments will be taken at the beginning of the first day of the hearing. Written public comments may be submitted by mailing a letter referencing Docket No. E-01575A-08-0325 to Arizona Corporation Commission, Consumer Services Section, 1200 West Washington, Phoenix, AZ 85007, or by email. For a form to use and instructions on how to e-mail comments to the Commission, go to [http://www.azcc.gov/divisions/utilities/forms/public\\_comment.pdf](http://www.azcc.gov/divisions/utilities/forms/public_comment.pdf). If you require assistance, you may contact the Consumer Services Section at 1-800-222-7000 or (520) 628-6550.

#### **About Intervention**

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. If you wish to intervene, you must file an original and 13 copies of a written motion to intervene with the Commission no later than **January 15, 2009**, and a copy of the motion to SSVEC or its counsel and to all parties of record. Your motion must contain the following:

1. Your name, address, and telephone number and the name, address and telephone number of any party upon whom service of documents is to be made, if not yourself.
2. A short statement of your interest in the proceeding (e.g., a customer of the Company, a member of the Cooperative, etc.).
3. A statement certifying that you have mailed a copy of the motion to intervene to the Cooperative or its counsel and to all parties of record in the case.

The granting of motions to intervene shall be governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before January 15, 2009. If representation by counsel is required by Rule 31 of the Rules of the Arizona supreme Court, intervention shall be conditioned upon the intervenor obtaining counsel to

1 represent the intervenor. For information about requesting intervention, visit the  
2 Commission's website at <http://www.azcc.gov/divisions/utilities/forms/iinterven.pdf>.  
3 The granting of intervention, among other things, entitles a party to present sworn  
4 evidence at the hearing and to cross-examine other witnesses. However, failure to  
intervene will not preclude any interested person or entity from appearing at the  
hearing and providing public comment on the application or from filing written  
comments in the record of the case.

5 **ADA/Equal Access Information**

6 The Commission does not discriminate on the basis of disability in admission to its  
7 public meetings. Persons with a disability may request a reasonable accommodation  
8 such as a sign language interpreter, as well as request this document in an alternative  
9 format, by contacting the ADA Coordinator Linda Hogan, E-mail [Lhogan@azcc.gov](mailto:Lhogan@azcc.gov),  
10 voice phone number 602/542-3931. Requests should be made as early as possible to  
11 allow time to arrange the accommodation.

12 IT IS FURTHER ORDERED that the Cooperative shall **mail** to each of its customers a copy  
13 of the above notice by **October 31, 2008**, and shall cause a copy of such notice to be published at  
14 least once in a newspaper of general circulation in its service territory, with publication to be  
15 completed no later than October 31, 2008.

16 IT IS FURTHER ORDERED that the Company shall file certification of mailing and  
17 publication as soon as practicable after they have been completed.

18 IT IS FURTHER ORDERED that notice shall be deemed complete upon mailing and  
19 publication of same, notwithstanding the failure of an individual customer to read or receive the  
20 notice.

21 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
22 Communications) applies to this proceeding as the matter is now set for public hearing, and shall  
23 remain in effect until the Commission's Decision in this matter is final and non-appealable.

24 IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules  
25 of the Arizona Supreme Court and A.R.S. §40-243 with respect to the practice of law and admission  
26 pro had vice.

27 IT IS FURTHER ORDERED that withdrawal of representation must be made in compliance  
28 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
Rules of the Arizona Supreme Court). Representation before the Commission includes the obligation  
to appear at all hearings and procedural conferences, as well as all Open Meetings for which the

1 matter is scheduled for discussion, unless counsel has previously been granted permission to  
2 withdraw by the Administrative Law Judge.

3 IT IS FURTHER ORDERED that the time periods specified herein shall not be extended  
4 pursuant to Rule 6(a) or (3) of the Rules of Civil Procedure.

5 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
6 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

7  
8 DATED this 24<sup>th</sup> day of August, 2008.

9  
10   
JANE L. RODDA  
ADMINISTRATIVE LAW JUDGE

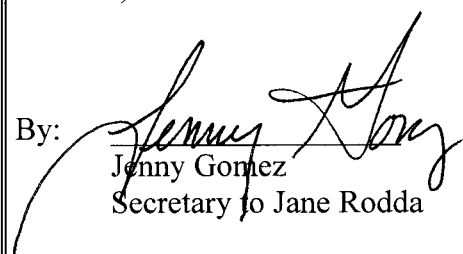
11 Copies of the foregoing mailed  
12 this 18<sup>th</sup> day of August, 2008 to:

13 Bradley S. Carroll  
14 Jeffrey W. Crockett  
15 Snell & Wilmer LLP  
16 One Arizona Center  
400 East Van Buren  
Phoenix, Arizona 85004-2202  
Attorneys for SSVEC

17 Janice Alward, Chief Counsel  
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20 Ernest Johnson, Director  
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23 Arizona Reporting Service, Inc.  
24 2200 N. Central Avenue, Suite 502  
Phoenix, Arizona 85004-1481

25  
26 By:   
27 Jenny Gomez  
28 Secretary to Jane Rodda